



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE
NOVEMBER 23, 2005

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**WESTCHESTER SCIENTIST CONVICTED IN FEDERAL COURT
OF FRAUD ON EMPLOYER AND CONTROLLED SUBSTANCE CONSPIRACY**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that ARTUR WOLLOCKO pleaded guilty today in White Plains federal court to charges arising from a fraud on his employer, Purdue Pharma L.P., and from a conspiracy to obtain a controlled substance.

As alleged in the felony Information to which he pleaded guilty, Purdue Pharma L.P. ("Purdue") is a company engaged in the research, development, production and distribution of pharmaceutical products. WOLLOCKO was employed as a Senior Scientist in Purdue's Pharmaceutical Analysis department, in Ardsley, Westchester County, New York, between December 1997 and April 2003. WOLLOCKO's activities at Purdue included evaluating technologies and developing analytical procedures for use at Purdue, including methods for using x-ray powder diffraction ("XRPD") in pharmaceutical analysis.

According to the Information, in or about August 1998, WOLLOCKO began to recommend to his supervisors at Purdue that Purdue purchase an XRPD system to assist Purdue in using XRPD techniques. In 2000, pursuant to WOLLOCKO's recommendation, Purdue purchased an XRPD system, at the price of \$245,646, from a supplier recommended by WOLLOCKO.

It was charged and admitted, however, that WOLLOCKO had not told his employer about his relationship with the supplier. Specifically, according to the Information, in or about 1999, WOLLOCKO formed and began the operation of International Pharmaceuticals and Biotechnology Laboratories ("IPBL"), a company that engaged in pharmaceutical business in Goshen, New York. At the time that WOLLOCKO recommended to his employer that it purchase an XRPD system from the supplier, IPBL had a close working relationship with the supplier, and had received a free XRPD machine from the supplier for IPBL's use. WOLLOCKO admitted

at his plea that he did not disclose to Purdue IPBL's relationship with the supplier, including the fact that IPBL received the XRPD machine without cost to IPBL. Also during 2000, WOLLOCKO recommended to Purdue that it purchase computer equipment for use with the XRPD machine it had purchased from the supplier. Purdue made the purchase, as a result of which IPBL received a commission. WOLLOCKO further admitted that he never reported to Purdue his interest in the sale of this computer equipment, as his employment contract required him to do.

As further alleged in the Information, IPBL maintained a website under the internet domain name "www.ipbl.org." IPBL's website stated, among other things, that "IPBL is a new name in the Pharmaceutical Contract Laboratory field" and was "registered with DEA and approved to handle narcotic (CII) products." During his guilty plea, WOLLOCKO admitted that he knew IPBL was not registered with, or approved by, the Drug Enforcement Administration to handle narcotic products.

As a result of the fraud on Purdue in connection with the purchase of the XRPD machine and related computer equipment, WOLLOCKO pleaded guilty to mail fraud. On that charge, WOLLOCKO faces a statutory maximum of 20 years in prison, and a maximum fine of \$250,000 or twice the gross gain or loss resulting from the offense. As a result of the false representation that IPBL was approved to handle narcotics, WOLLOCKO plead guilty to conspiring to acquire and possess a controlled substance by misrepresentation. On that charge, WOLLOCKO faces a statutory maximum of 4 years in prison and a maximum fine of \$250,000 or twice the gross gain or loss resulting from the offense.

WOLLOCKO, 49, lives in Monroe, New York.

Sentencing is scheduled for February 23, 2006, at 9 a.m. before United States District Judge STEPHEN C. ROBINSON.

Mr. GARCIA praised the investigative efforts of the Federal Bureau of Investigation, the Drug Enforcement Administration, and the Food and Drug Administration.

Assistant United States Attorney DAN DORSKY is in charge of the prosecution.

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